

CITY OF MOUNTAIN VIEW

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) FISCAL YEAR 2002

I. DESCRIPTION OF CAPER REPORT

The City of Mountain View's 2002 Consolidated Annual Performance and Evaluation Report (CAPER) describes the City's low income housing and community development activities carried out during Fiscal Year 2002-2003 (July 1, 2002 – June 30, 2003), the funds made available for low income housing activities, and the number of low income households who were assisted with housing related needs. The CAPER also evaluates the City's overall progress in carrying out priority projects identified in the Five Year Strategic Plan* and the Annual Action Plan*.

II. SUMMARY OF ACCOMPLISHMENTS

The City of Mountain View had anticipated having available \$865,000 in CDBG funds and \$474,000 in HOME funds for housing and community development activities. The anticipated level of funding was received and was used to carry out the housing and community development projects detailed in the City's Fiscal Year 2002 Action Plan.

In Fiscal Year 2002 the City's major accomplishments were the following:

- Work continued to be carried out on the efficiency studios project in order to obtain the additional funding needed by this project to start construction. This project will provide 120 affordable efficiency studio units for very low-income single person households, with about 10 percent of the units available for two person households. The City Council has allocated \$5.34 million in funding for the project; a long-term ground lease has been executed; the project has all its land use approvals from the City; and a building permit is ready to be issued. The project has been submitted for a Tax Credit allocation and for State Multiple-Family Housing Program (MHP) funding. In both cases the project ranked very high and was just short of receiving the necessary funding. The project has reapplied for MHP funding and a decision on this latest application is expected to be made in November 2003. If the project receives the MHP funding, construction would begin around February/March 2004.

*The Strategic Plan is part of the City's Consolidated Plan (CP), which is a five year (2000-2005) comprehensive planning document that identifies the City's overall needs for affordable and supportive housing as well as non-housing community development needs. The Strategic Plan outlines a five-year strategy for use of available resources

to meet the identified needs. The annual Action Plan outlines a one-year plan for addressing the goals in the Strategic Plan.

- After a number of years of delays, the Sobrato Family Living Center was completed in September 2002. The project involved the construction of 8 transitional housing units for large families and rehabilitation of 5 historic cottages, which are being used to provide 10 transitional housing units for homeless families. The project is located in the City of Santa Clara and serves the entire County. A number of jurisdictions provided funding for this project. The City of Mountain View provided \$150,000 of CDBG funds for the rehabilitation of the 5 historic cottages.
- Rehabilitation of the Tyrella Gardens apartments is underway and \$150,000 of CDBG funds has been spent on this project. This is another project that experienced several years of delays and was finally able to start up this fiscal year. Tyrella Gardens provides 56 units of affordable housing for low-income families. The rehabilitation work will be important in preserving this apartment complex.
- The Countywide fair housing study was completed in January 2003. This study provided valuable information and the City was able to use this study to update its Analysis of Impediments (AI) to Fair Housing. A draft AI is currently being circulated for comments and is expected to be finalized by November 2003.
- During Fiscal Year 2002, the City unexpectedly learned that the nonprofit owner/operator of the 813 Alice transitional house (for previously homeless persons), was planning to end the agency's involvement in the house. As a result, the City worked with the nonprofit owner/operator and carried out a Request for Proposals in order to find another agency to take over the house so the existing transitional house use could continue. After a number of neighborhood meetings and public hearings, the City Council selected InnVision to take over the ownership and operation of the house. Efforts are currently underway to transfer ownership of the house. This action will ensure that the transitional house use will be able to continue.
- Fiscal Year 2002 was the fourth year of the City's Below Market Rate Housing Ordinance, which requires that new residential developments provide a certain percentage of affordable units or pay an in-lieu fee, which the City can then use to develop affordable housing. To date about \$665,000 has been received from in-lieu fees. In addition, 7 BMR units are under construction. Due to the downturn in the economy, no funds have been received from the Housing Impact fee, which the City adopted in September 2001.

Table 1 (attached), Goals, Objectives and Accomplishments, provides a summary of the Fiscal Year 2002 objectives and accomplishments and the accomplishments to date in achieving the five-year goals.

III. AFFIRMATIVELY FURTHERING FAIR HOUSING

In January 2003, a countywide fair housing study was completed. The purpose of the study was to identify fair housing needs County-wide (as well as by individual cities), to determine the effectiveness of the fair housing services being provided, and to identify options for providing services more effectively. Completion of the fair housing study was delayed in order to incorporate 2000 Census information in the document. The study provided very valuable information and proved very helpful in assisting the City to update its Analysis of Impediments (AI) to Fair Housing Choice. Shortly after completion of the fair housing study, the City began updating its AI. A draft AI was completed in June 2003, at which time the document started to be circulated for public comments. It is expected that the AI will be finalized in November 2003.

The countywide fair housing study identifies Santa Clara County as one of the best examples of diversity mixed with integration in the United States and notes that fair housing conditions in the county are generally very good and in some cases they are outstanding. Both the countywide study and the City's draft AI identify the high cost of housing as the major impediment to fair housing choice. In order to address this obstacle, the City will continue its strong efforts to increase the supply of affordable housing and to preserve the existing supply of affordable housing.

One of the recommendations of both the countywide fair housing study and the City's draft AI is to establish a countywide Fair Housing Task Force. Efforts are already underway to establish this task force and it is expected that it will be underway beginning in Fiscal Year 2003. The purpose of the Fair Housing Task Force will be to address systematic fair housing issues and to take a lead role in developing fair housing public outreach campaigns.

Another recommendation of both the countywide study and the City's draft AI is to address fair housing issues on a more regional and subregional basis. In light of this recommendation as well as in the interest of using the City's limited available funding to provide the highest quality and most comprehensive fair housing services, a competitive procurement process was established for selection of a fair housing service provider. Between February and April 2003, the City of Mountain View, along with the cities of Palo Alto and Sunnyvale, carried out a joint Request for Proposals process in order to select a North County fair housing service provider. Consolidating the funding of the three cities and selecting one service provider for North County allowed the cities to avoid duplication of services, reduce overhead expenses, and use the available funds to provide more comprehensive fair housing services. As a result of this process, the City will be able to expand on the fair housing services that it is able to provide in the future.

- During Fiscal Year 2002, the City provided \$20,500 in CDBG and General Fund support for fair housing services. The City also provided an additional \$79,000 of General Fund support for tenant/landlord information/referral and mediation services. Staff at the tenant/landlord program is

familiar with fair housing law and refers cases that may potentially involve violations of fair housing law to the City's fair housing agency.

- During Fiscal Year 2002, nine cases of housing discrimination were investigated by Midpeninsula Citizens for Fair Housing (City's fair housing agency) and 4 consultations were also provided. In addition to the provision of fair housing counseling, referral and case investigation services, the following outreach and educational activities were carried out by Midpeninsula Citizens for Fair Housing (MCFH) to increase community awareness of fair housing (only the most significant outreach activities are summarized below.):
- Provided fair housing training for 8 managers of apartment complexes in Mountain View, Palo Alto, Sunnyvale, Cupertino, Redwood City, and East Palo Alto.
- MCFH staff appeared as a guest on the marconi experiment, a live call-in radio show on 91.7 KKUP Cupertino, and participated in a discussion about fair housing rights and responsibilities.
- MCFH staff gave a presentation to residents at Monte Vista Terrace, a subsidized property in Mountain View that serves seniors and disabled adults.
- Distributed 3,000 flyers in the Tri-County Apartment Association direct mail packet.
- Organized, facilitated and led a teleconference meeting of the Bay Area wide Collaborative on Predatory Lending, in an effort to address predatory lending issues.
- Participated in a collaborative meeting on Anti-Predatory Lending at the Bay Area Legal Aid Office in San Jose.
- Distributed 1,184 fair housing brochures.
- Placed 80 ads in the San Jose Mercury News and 49 ads in the Spanish language newspaper, El Observador.
- Maintained a web site for the public, which contains information regarding fair housing services and fair housing law.

IV. AFFORDABLE HOUSING

a. Evaluation of Progress in Meeting Housing Objectives

Table 1, Goals, Objectives, Accomplishments, lists the affordable housing goals and the progress in meeting the goals.

During the past year, the City continued to work on the 120 unit of efficiency studio housing development for very low-income persons. The project is ready to start construction, pending receipt of a Tax Credit allocation or State Multi-Family Housing Program (MHP) funding. In addition to this project, 18 units of transitional housing for homeless families were developed at the Sobrato Family Living Center in Santa Clara. Also, the rehabilitation of the Tyrella Gardens Apartments was started up. Rehabilitation of the 56 units of subsidized family apartments is expected to be completed in late 2004. The project will also involve the construction of a community center, which will be used to provide computer-training classes for youths and also recreational activities for the residents.

b. Number of Renter/Owner Households Assisted

The Consolidated Plan identifies the housing needs of renter households as the highest priority need. The efficiency studios development will provide 120 very low-income renter households with affordable housing in the future. This project will be a significant benefit to very low-income renter households earning between 25 to 45 percent of the County median income.

The rehabilitation of the Tyrella Gardens Apartment complex, which is currently underway, will provide improved living conditions for 56 low-income family households and will help preserve the low-income units.

The completion of the Sobrato Family Living Center has resulted in 8 transitional living apartments and 10 transitional housing units for homeless families.

Low-income owner households are identified in the Consolidated Plan as having fewer housing needs than tenants. The City's available funds have therefore been focused on addressing the needs of low-income renter households. In an effort to also assist existing low-income homeowners to continue living in their homes, 17 households were assisted in making minor home repairs through the City's home repair program.

c. Efforts to Address "Worst-Case" Needs

The City's worst case need has been the lack of enough affordable housing for very low-income renter households. The efficiency studios project will go a long way towards addressing this need. This project will add 120 units of housing affordable to persons earning between 25 to 45 percent of the County median income. Currently only those properties with Section 8 contracts are able to provide affordable housing for very low-income persons in the community. The 120 units will represent a very significant 14 percent increase in the City's affordable housing stock. Even more significant is the fact that all these units will be affordable to very low income persons.

d. Efforts to Address the Needs of Persons with Disabilities

- 6 households were assisted in making their homes accessible through the City's Home Access Program

- 541 frail seniors were assisted in continuing to live independently through the provision of a number of public services

V. CONTINUUM OF CARE NARRATIVE

a. Actions to Address the Needs of Homeless Persons

- The Sobrato Family Living Center, which was developed to replace the family shelter at Agnew's Developmental Center, was completed in September 2002. The City of Mountain View used \$150,000 of CDBG funds for this project. 18 units of transitional housing were developed for homeless families.
- The Clara Mateo shelter provides shelter and support services to homeless Mountain View residents. This shelter is located in Menlo Park and addresses shelter needs of persons who cannot go to the Reception Center in San Jose or who have special needs. (1,459 shelter days provided to Mountain View homeless persons)
- Emergency Housing Consortium provided 3,712 shelter days to Mountain View homeless persons at the Reception Center in San Jose, which provides shelter and support services for homeless persons countywide.
- The Community Services Agency continued to operate the local Alpha Omega rotating shelter program, which is operated out of local churches and provides shelter and case work to Mountain View homeless persons. A total of 38 persons were assisted through this program.

b. Actions to Address the Supportive Housing Needs of Non-Homeless

Allocated \$143,835 in CDBG and \$170,595 in General Fund support to provide a variety of public services to address the needs of low-income persons. Services provided included free food, clothing, medical care, legal assistance, transportation, and a variety of other services. The Community Services Agency, in particular, provides a variety of emergency assistance services to homeless persons and those at risk of homelessness. The agency provided services to 1,119 Mountain View persons that were either homeless or at risk of being homeless.

c. Actions to Develop/Implement a Continuum of Care Strategy

The City of Mountain View continued to participate in the Santa Clara County Collaborative on Housing and Homeless Issues. The Collaborative is made up of local jurisdictions, shelter providers, service providers, housing advocates and non-profit housing developers. This group provides an effective way to attract additional funding sources and create affordable housing for the homeless and those at risk of homelessness.

d. Actions to Prevent Homelessness

- \$73,600 allocated to public service programs, which provide shelter, food, clothing, counseling, rental assistance and other services to persons at risk of homelessness. 1,238 persons assisted with shelter and other necessities.
- 120 units of efficiency studio housing are ready to be built as soon as State MHP funding or a tax credit allocation is received. These housing units will be affordable to very low-income persons and will provide an important housing resource for persons on the verge of homelessness.

e. Actions to Assist Homeless Persons in the Transition to Independent Living

- During Fiscal Year 2002, the City was informed by the owner/operator of the transitional house at 813 Alice Avenue, that the agency could no longer operate the house. In an effort to deal with financial shortfalls, the agency wanted to focus on its senior programs. In an effort to save the transitional house, the City carried out a Request for Proposals process to find a new agency to take over the ownership and operation of the house. Two very qualified agencies submitted proposals and the City Council selected InnVision to take over the ownership and operation of the house. Efforts are currently underway to transfer the house to InnVision. This will allow for the transitional house use to be preserved. This house provides transitional housing and support services for up to six previously homeless persons to assist them in making the transition to permanent housing and independent living.
- The City continued to fund the Community Services Agency Emergency Assistance Program, which assists persons in obtaining food, shelter, transportation, and other necessities. \$35,947 was allocated for this service and 1,119 persons were served.
- The MayView Clinic continued to provide health care services for low income uninsured persons (2,204 Mountain View persons served).
- The Alpha Omega rotating shelter program continued to operate and provide social worker assistance to homeless persons to assist them in the transition back to independent living (38 persons served).
- The 120 units of efficiency studio housing, which are ready to begin construction upon the receipt of State MHP funding or a tax credit allocation, will provide an important housing resource for persons making the transition back to permanent housing.

VI. OTHER ACTIONS

a. Actions to Address Obstacles in Meeting Underserved Needs

As in past years, the most significant obstacle to addressing the underserved needs for Fiscal Year 2002 was the lack of sufficient funds to carry out all the necessary projects. In an effort to increase the funding available for affordable housing (the City's highest priority need), the City continued to provide funding to non-profits in the form of loans, wherever feasible, in order to create a revolving loan fund and allow the funds to be used for additional projects in the future. The City has begun to receive paybacks from some of the larger housing loans made in recent years, which has helped augment the declining amount of CDBG funds. In Fiscal Year 2002, however, the City did not receive any CDBG paybacks, only Revitalization Housing Set-Aside funds.

In a further effort to overcome the obstacle of insufficient funding, the City in Fiscal Year 1998 implemented a Below Market Rate (BMR) ordinance, which requires that new housing developments in the future include a certain percentage of affordable housing units or pay an in-lieu fee to the City's housing fund. The City to date has received about \$665,000 from in-lieu fees paid by new housing developments and there are also 7 BMR units under construction. In addition, in September 2001, the City adopted a Housing Impact fee to be provided by new commercial development, for the funding of affordable housing. Due to the current economic downturn, no funds have been received yet. It is expected, however, that in the future this new ordinance will also be important in helping to supplement the available CDBG and HOME funds that become available for affordable housing.

Another major obstacle for the City continues to be the CDBG expenditure requirement. The annual entitlement of about \$865,000 allows the City to maintain an unexpended letter of credit balance of about \$1.3 million. Unfortunately, in order to develop housing projects in San Clara County, projects need anywhere from \$3 to \$5 million in funding. The CDBG expenditure requirement is creating a number of problems for the City:

1. The City is unable to bank its CDBG funds in order to carry out a large housing project, but must instead focus its efforts on small rehabilitation type projects. Although these are good projects, they are not the types of projects that make a big impact in addressing affordable housing needs in the community.
2. Projects are being funded based on how quickly they can be carried out in order for the City to meet its expenditure requirement, versus the importance of the project in addressing community needs.
3. A very significant amount of staff time is being spent on juggling projects around and making sure timelines are followed so that the CDBG expenditure requirement is met. This means less staff time is available for actually carrying out projects and more time is being spent on scheduling issues.
4. Rather than focusing on carrying out several projects that will address community needs, efforts must instead be focused on carrying out the one project that will allow the City to meet its expenditure requirement, even though that may not be the highest priority project for the community.

The City is still trying to find creative ways to meet the CDBG expenditure requirement while still being able to carry out the types of projects that the community needs. Unfortunately, to date the expenditure requirement continues to be a major obstacle for the City.

b. Actions to Foster and Maintain Affordable Housing

In order to facilitate affordable housing developments, the City has found it useful to have a staff person assigned to affordable housing projects to troubleshoot and ensure that any difficulties that come up are resolved quickly. This method has worked well in carrying out past housing projects and has also been utilized for the efficiency studio project.

The City continued to work with local nonprofit organizations to explore all opportunities for affordable housing and as noted in the section above, the City has adopted a BMR Program and a Housing Impact Fee program in order to increase the available revenue for the development of affordable housing.

The City also has a proactive housing inspection program, which helps to maintain and preserve the existing housing stock. Subsidized housing developments are inspected every two years by the City's housing inspectors for Housing Code standards. The housing inspectors then work with the property owners to ensure that any identified deficiencies are quickly corrected. This program has been important in maintaining the high quality of the affordable housing stock.

c. Actions to Eliminate Barriers to Affordable Housing

As noted above under the section about "obstacles to underserved needs", a major obstacle for the City has been the lack of enough funds. The City has tried to overcome this obstacle by implementing a Below Market Rate Housing ordinance and a Housing Impact Fee ordinance. In addition, whenever feasible, the City provides CDBG and HOME funds as loans, in order to create a revolving loan fund for affordable housing.

Another significant barrier to the development of affordable housing has been the lack of available vacant land. In order to overcome this barrier, the City Council has agreed to use one of the few remaining City-owned properties for the development of the efficiency studios project.

Another major barrier has been the fear many people have about affordable housing and the belief that affordable housing will lower property values, result in crime, and lead to an overall deterioration of a neighborhood. In order to alleviate these fears, in carrying out affordable housing projects, the City conducts numerous neighborhood meetings, community workshops, and other outreach to the community to provide information, answer questions, and prevent incorrect information about affordable housing from creating unnecessary fears among residents. This process was used for the efficiency studios project and other housing projects over the years and has been very successful at addressing community concerns and building support for the projects. In the case of the efficiency studios, 17 public meetings were held in order to hear community concerns and answer questions. This effort paid off, however, because at the final City Council meeting, there was no opposition to the project, only support for it. Although time

consuming, this “community outreach” process works well in identifying and addressing all community concerns and thus creating overwhelming support for affordable housing.

Also, as discussed earlier, another major obstacle for the City is the CDBG expenditure requirement. The City continues to work to identify possible ways the City can meet the requirement and still carry out the types of large housing projects that are important to the community. Unfortunately, a solution to this problem has not yet been identified and the City continues to spend large amounts of staff time juggling smaller projects around in order to meet the expenditure requirement.

d. Actions to Overcome Gaps in Institutional Structures

In an effort to improve intergovernmental cooperation, the City of Mountain View continues to participate with the other local jurisdictions in sharing information and resources. Regular quarterly meetings have been established in order for the various entitlement cities and the County to meet and share information and resources. In addition, for projects that are being funded by more than one City (i.e. Sobrato), the various jurisdictions involved have worked together in an effort to reduce duplication of work and thus reduce project management costs. Work has also been started, with the County of Santa Clara as the lead agency, on preparing a standardized CDBG application form, which all the jurisdictions would use in the future. This would greatly simplify the application process for non-profit agencies, since they would only need to complete one standardized application form, instead of different application forms for each jurisdiction from which they request funding. This will allow for more non-profit agency staff time to be spent on providing services, rather than completing application forms.

In order to accommodate the various requirements of numerous other funding sources, the City maintains flexibility in the provision of its funds so that projects are not hindered by numerous conflicting requirements. Likewise, for projects that are jointly funded by a number of jurisdictions, efforts are made to consolidate the contractual requirements in order to reduce the burden on non-profit agencies having to comply with numerous different and possibly conflicting contract requirements.

e. Actions to Improve Public Housing and Resident Initiatives

There are no public housing units in the City of Mountain View.

f. Actions to Reduce Lead Based Paint Hazards

The City will continue to require testing and hazard reduction in properties that are rehabilitated using CDBG or HOME funds. The City will also continue to provide information on lead based paint hazards. The rehabilitation of the Tyrella Gardens Apartments was started up in Fiscal Year 2002. A lead paint inspection was carried out to check for lead paint. The inspection revealed lead paint in only the top railings of a few patios. This railing is being removed and disposed of per lead paint standards.

As required by new federal regulations, the City has prepared a Lead Based Paint Management Plan and will carry out projects according to the Lead Based Paint Management Plan.

g. Actions to Ensure Compliance with Comprehensive Planning Requirements

The City continued active monitoring of all subrecipients and projects to ensure compliance with program and comprehensive planning requirements. Monitoring involved review of quarterly invoices and client reports and review of agency audit reports. Annual on-site monitoring of subrecipients is also carried out per the City's monitoring plan and involves a review of client files, financial records, policies and procedures as well as compliance with all applicable federal requirements.

h. Actions to Reduce the Number of Persons Living Below the Poverty Level

The efficiency studio project will provide affordable housing for 120 very low income single person households. These are households whose incomes are too low to qualify for even traditional affordable housing, and a significant percentage of these persons are living below the poverty level. By providing affordable housing, the City will be able to help these households to have a safe, quality place to live and to be able to focus their attention on increasing their job skills.

The City of Mountain View also continued its participation in the NOVA employment program, which provides job training, and employment programs for low-income persons. During Fiscal Year 2002, there were 138 Mountain View residents enrolled in the program and 56 of these completed the program during the Fiscal Year. Of the 56 that completed the program, 39 (70%) had found employment by the time they left the program and 17 had not yet found employment.

The City continued to fund the Community Services Agency Emergency Assistance Program which provides a variety of services, including rental assistance, food, clothing and job search to help prevent at-risk households from becoming homeless and to provide them with basic necessities which they can't afford due to their limited income. The City also funded the American Red Cross for provision of rental assistance to Mountain View residents. Unfortunately, due to financial difficulties, the American Red Cross terminated their rental assistance program after the second quarter. Due to the high cost of housing in this area, efforts have been concentrated on providing and maintaining the affordable housing of low income households, in order to prevent them from becoming homeless.

i. Geographic Distribution of Investments

The City of Mountain View used funds from its CDBG and HOME programs to carry out the activities detailed in the 2002 Action Plan. Activities were carried out Citywide; there was no geographic concentration of resources.

No property acquisition or housing rehabilitation projects were carried out during the fiscal year.

VII. LEVERAGING RESOURCES/MATCHING FUNDS

All the projects carried out involved the leveraging of other funding sources.

The HOME match liability for the year was \$62,047 and was met with \$67,293 of private funding applied to the efficiency studios project. The funding was provided by Lenders for Community Development for project predevelopment expenses. This information is detailed in the HOME Match Report, form 40107-A. Once the project is under construction, the HOME match provided by Lenders for Community Development will be substituted with City Revitalization Housing Set-Aside funds, of which \$809,000 has been allocated for the project as the HOME match.

VIII. CITIZEN COMMENTS

No citizen comments were received.

IX. PUBLIC PARTICIPATION REQUIREMENTS

A draft CAPER was made available for public review for a 15-day period (September 10 through September 24, 2003). An advertisement was placed on September 5, 2003 in the San Jose Post Record, a newspaper of general circulation, advertising the availability of the CAPER. Copies of the CAPER report were made available to the public free of charge. The public could either come to the Community Development Department during normal business hours to pick up a copy of the report or they could call or e-mail the City and have the report mailed to them. The report was also posted on the City's web site and notices were sent to persons and groups on the City's CDBG interest list, announcing the availability of the CAPER. No citizen comments were received.

X. SELF EVALUATION

The City continued to pursue the development of 120 units of efficiency studio housing for very low-income persons. Unfortunately, at this point the project is beyond the control of the City, as we wait for approval of State MHP funding and/or an allocation of Tax Credits. The project is ready to start construction as soon as this funding is received. The City in partnership with Charities Housing Development Corporation, has made every effort to make the project as competitive as possible for receipt of the additional funding needed.

In addition to the efficiency studio project, two projects that have experienced numerous delays over the years, became reality. The Sobrato Family Living Center was completed, providing 18 units of transitional housing for homeless families, and the rehabilitation of the Tyrella Garden Apartments was started up. The rehabilitation work will provide better living conditions for the 56 low income families that live there, will extend the useful life of the property and will also involve the construction of a community room, which will provide the tenants with educational and recreational opportunities. The rehabilitation work is expected to be completed in late 2004.

The tenant improvement work for St. Vincent De Paul, which has been allocated \$10,000 in CDBG funds, continues to be delayed due to circumstances beyond the City's control. The agency has not been

able to find a permanent site for this program. The agency continues to search for a permanent site and in the meantime has found a temporary location for the program at a local church. The CDBG funds cannot be spent until the agency finds a permanent site.

Assessment of 3-5 Year Goals

This is the third year report regarding the City's performance in meeting its five-year Consolidated Plan goals. To date the City is on-track to meet its five-year goals, as noted in Table 1.

In Fiscal Year 2002 it became apparent that the downturn in the economy is now having serious consequences in the nonprofit sector, as more and more nonprofits are having to terminate programs and scale back services. During Fiscal Year 2002, the American Red Cross had to terminate their rental assistance program after the second quarter due to financial difficulties. Also, Outreach and Escort, which receives General Fund support from the City to provide subsidized transportation for low income seniors, informed the City that effective June 2003, the agency would no longer operate the ride fare subsidy program. Project Match also notified the City that due to financial constraints, the agency could no longer be involved in the ownership and operation of the transitional house at 813 Alice Avenue. Many other agencies have had to significantly cut back on the number of clients they can serve as a result of having to lay off staff due to declining revenue. This has all happened during a time when the need for services is greatly increasing as a result of the continuing high unemployment rate. As more and more nonprofits become casualties of the economy, it will become extraordinarily difficult for the City to continue to address the needs of low-income persons. The City is making every effort to assist nonprofits, however, the City is also faced with declining CDBG funds and serious General Fund shortfalls. The City has made very good progress so far in meeting its five year goals and it is expected that because of the progress made so far, the City will be able to meet its goals despite the loss of programs and nonprofits.

XI. CDBG PROGRAM SPECIFIC NARRATIVES

a. Assessment of Use of CDBG Funds to Consolidated Plan Goals

The City's highest priority need in the Consolidated Plan has been to increase the affordable housing stock for very low-income renter households. The City's efforts during the past few years have been concentrated on developing 120 efficiency studio units for very low-income persons. The efficiency studios project will help address the housing needs of very low income persons and is also a critical aspect of the City's Homeless Strategy in terms of providing affordable housing for the working homeless and preventing homelessness as well as providing a housing resource for homeless persons making the transition back to permanent housing. The efficiency studios development is also an important aspect of the City's Anti-Poverty Strategy, as householders living alone make up the largest segment of the population below poverty level in Mountain View.

In addition to the efficiency studios project, the City also used CDBG funds to provide a variety of public services, to help fund the development of the Sobrato Family Living Center and the rehabilitation of Tyrella Gardens, a 56 unit affordable family development.

b. Use of CDBG Funds to Benefit Low/Moderate Income Persons

All available CDBG funds (100%) have been used to carry out activities benefiting low and moderate-income persons.

c. Changes in Program Objectives

There have been no changes to program objectives.

d. Efforts at Carrying out Action Plan Activities

The City has pursued all the available resources noted in the action plan. All resources have been used to meet the low/mod limited clientele national objective.

The City has provided all requested certifications of consistency and all the requests were consistent with the goals in the City's CP. All certification requests were reviewed in a fair and impartial manner. The City in no way hindered the implementation of the goals in its CP.

e. Acquisition, Rehabilitation or Demolition of Occupied Real Property

No activities were carried out in Fiscal Year 2002, which involved acquisition of occupied real property. The Tyrella Gardens rehabilitation work involves rehabilitation of an occupied property. Mid-Peninsula Housing Coalition (MPHC), the property owner, will be temporarily relocating all the tenants. MPHC has submitted its relocation plan to the City and the plan meets all HUD requirements. Upon conclusion of the rehabilitation work, all the tenants will be allowed to return to their units at an affordable rent. All the required notices have been provided to the tenants.

f. Rehabilitation Activities

The rehabilitation of the Tyrella Garden Apartments was started up at the very end of the fiscal year. This project will be completed in the latter part of 2004.

XII. HOME PROGRAM SPECIFIC NARRATIVES

a. Distribution of Funds Among Different Categories of Housing Needs

Fiscal Year 2002 was the City's eighth year as a participating jurisdiction in the HOME Program. The following HOME projects have been carried out to date:

<u>Project</u>	<u>Funding Year</u>	<u>Funding Provided</u>	<u>Date Completed</u>	<u>Housing Needs Served</u>
2230 Latham Street	1995	\$387,000	June, 1997	Families
Mountain View Apts. 460 Shoreline	1996	\$320,031	August, 1997	Families & Seniors
Senior Residence 1675 Wolfe Road Sunnyvale	1995 & 1996 CHDO funds	\$131,850	September 1997	Seniors
Central Park Apts. 90 Sierra Vista	1997 & 1998	\$612,398	July, 1998	Seniors
Stoney Pine Sunnyvale	1997 & 1998	\$115,050	September, 2001	Developmentally Disabled Persons
HomeSafe Santa Clara	1999	\$100,000	July, 2001	Survivors of Domestic Violence
Efficiency Studios (Pending)	1999 2000 2001	\$301,000 \$422,964* \$436,184*	underway	Single person households

(*includes reprogrammed funds)

NOTE:

The funds shown above for the efficiency studios project are allocated to the project but have not all been spent out. A total of \$248,187 was actually spent out during the Fiscal Year, resulting in a match liability of \$62,047.

The HOME funds used to date have benefited family households, seniors, developmentally disabled persons and victims of domestic violence.

b. Match Report (HUD 4107-A)

Attached HUD report 4107-A summarizes the status of the HOME match funds, which are discussed under the Leveraging Resources section of this report. The City has met all the match requirements for the HOME funds expended to date.

c. Contracts and Subcontracts with MBE's and WBE's (HOME Report 40107)

Attached HUD report 40107 details the HOME program income, minority business enterprises and women business enterprise contracts. No displacements or acquisitions occurred during the fiscal year.

d. Results of On-Site Inspections of Housing

On-site inspections of all HOME housing projects have been completed within the required timeframe. All the housing projects are in compliance with the major program requirements. All projects are also in compliance with Housing Quality standards.

e. Assessment of Affirmative Marketing Actions

A major issue facing the City's affordable housing stock is an overrepresentation of some ethnic and racial groups resulting in a loss of diversity and the creation of an undesirable environment for tenants from underrepresented groups. City staff have been working with the property owners and managers to try and increase tenant diversity and ensure that there is adequate outreach and affirmative marketing carried out to reach underrepresented groups such as the Hispanic, Asian and Black communities.

The City and non-profit agency owners have been carrying out the following actions as part of the City's Affirmative Marketing efforts:

- Bilingual outreach workers have been going out into the community, in particular areas where underrepresented groups reside, and informing them about housing opportunities, and assisting households as necessary to obtain and complete application forms.
- Organizations that provide services to low income residents have been informed of housing openings and asked to inform their clients.
- Advertisements regarding the opening of wait lists have been placed in the local newspaper and announcements have been circulated and posted at City Hall, Library, Senior Center, Recreation Center, and other community facilities.
- Announcements regarding wait list openings have been posted in neighborhood gathering spots such as grocery stores, Laundromats, etc.
- Bilingual applications and literature are being provided to assist non-English speaking applicants.

f. Outreach to Minority and Women Owned Businesses

No contracts were awarded during the fiscal year.

XIII. FINANCIAL SUMMARY REPORT

Attached Financial Summary Report provides the status of the City's CDBG funds.

XIV. IDIS REPORTS FOR CITIZEN REVIEW

The following reports were made available to the public:

Consolidated Plan

Summary of Consolidated Plan Projects for Report Year 2002

Grantee Summary Activity Report

HOME

Status of HOME Grants

Status of HOME Activities

Status of CHDO Funds

HOME Matching Liability Report

Grant, Subfund and Subgrant Report

CDBG

CDBG Activity Summary Report (GPR)

Current CDBG Timeliness Report

OTHER

HUD Grants and Program Income

Program Income Details by Fiscal Year and Program

CDBG Financial Summary for Program Year 2002

For a complete copy of the CAPER, including all the attachments, please call (650) 903-6379.